INNOVATION, SCIENCE AND ECONOMIC DEVELOPMENT CANADA

2017–18

Departmental Plan

The Honourable Navdeep Bains, P.C., M.P.
Minister of Innovation, Science and Economic Development

The Honourable Kirsty Duncan, P.C., M.P.
Minister of Science

The Honourable Bardish Chagger, P.C., M.P.
Minister of Small Business and Tourism and Leader of the Government in the House of Commons

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Web Services Centre
Innovation, Science and Economic Development Canada
C.D. Howe Building
235 Queen Street
Ottawa, ON K1A 0H5
Canada

Telephone (toll-free in Canada): 1-800-328-6189
Telephone (international): 613-954-5031
TTY (for hearing impaired): 1-866-694-8389
Business hours: 8:30 a.m. to 5:00 p.m. (Eastern Time)
Email: ISED@Canada.ca

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Table of contents

Ministers' message 1

Plans at a glance 3

Raison d'être, mandate and role: who we are and what we do 5

- Raison d'être 5
- Mandate and role 5

Operating context: conditions affecting our work 7

Key risks: things that could affect our ability to achieve our plans and results 9

Planned results: what we want to achieve this year and beyond 11

- Programs 11
- Internal Services 31

Spending and human resources 33

- Planned spending 33
- Planned human resources 37
- Estimates by vote 38
- Future-Oriented Condensed Statement of Operations 39

Supplementary information 41

- Corporate information 41
- Supporting information on lower-level programs 43
- Supplementary information tables 43
- Federal tax expenditures 43
- Organizational contact information 43

Appendix: definitions 45

Endnotes 49

Ministers' message

Our 2017–18 Departmental Plan provides parliamentarians and Canadians with information on what we do and the results we are trying to achieve during the upcoming year. To improve reporting to Canadians, we are introducing a new, simplified report to replace the Report on Plans and Priorities.

The title of the report has been changed to reflect its purpose: to communicate our annual performance goals and the financial and human resources forecast to deliver those results. The report has also been restructured to tell a clearer, more straightforward and balanced story of the actual results we are trying to achieve, while continuing to provide transparency on how tax payers' dollars will be spent. We describe our programs and services for Canadians, our priorities for 2017–18, and how our work will fulfill our departmental mandate commitments and the government's priorities.

Through the programs of the Innovation, Science and Economic Development Portfolio, we are working together to deliver Canada's Innovation Agenda—a whole-of-government initiative to position Canada as a global centre for innovation, create better jobs and opportunities for the middle class, drive growth across all industries and improve the living standards of all Canadians. The work of the Portfolio also includes commercializing more research and ideas; providing more Canadians with the skills to participate in a global and digital economy; helping small businesses grow through innovation, access to capital and trade; promoting increased tourism to Canada; and supporting scientific research and the integration of scientific considerations in our investment and policy choices.

It is our pleasure to present the Departmental Plan for Innovation, Science and Economic Development Canada for 2017–18.

The Honourable Navdeep Bains
Minister of Innovation, Science and Economic Development

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Plans at a glance

Implement Canada's Innovation Agenda

Following extensive consultations with Canadians from across the country, Innovation, Science and Economic Development Canada (ISED) will work with its partners to implement Canada's Innovation Agenda. In delivering the Agenda, the Department will take full advantage of opportunities to experiment with new approaches to public policy solutions as part of ISED's response to existing challenges and instill a strengthened culture of innovation in Canada.

Support scientific innovation and world-class research

ISED will deliver the Post-Secondary Institutions Strategic Investment Fund, which provides $2 billion over three years for strategic projects to improve Canada's research and innovation infrastructure. To promote Canada as a world-class research hub, the Department will support the work of the Chief Science Advisor, promote science and provide support for innovation networks and clusters.

Increase high-speed broadband coverage

ISED will deliver Connect to Innovate, a new $500-million program to extend and enhance broadband service in rural and remote communities announced in Budget 2016. The program focuses on building the backbone of high-speed internet networks in these communities, connecting institutions like schools, hospitals and libraries. It also supports the unique connectivity challenges faced by satellite-dependent northern communities.

Enhance economic growth by supporting a strong and innovative manufacturing sector

As a centre of expertise on manufacturing sectors and their value chains, ISED will engage with stakeholders, support investment attraction efforts and identify opportunities to develop and adopt emerging technologies crucial to competitiveness.

Maintain an efficient and competitive Canadian marketplace

ISED will continue its role as a regulator in areas such as telecommunications, trade measurement, insolvency, federal incorporation and intellectual property to help maintain an open and efficient Canadian marketplace. The Department will also promote competition through its investigations of anti-competitive behaviour, advocacy work and reviews of mergers and significant foreign investments to ensure they provide benefits to Canadian businesses and consumers.

Support Canada's participation in trade agreements

To stimulate trade, ISED will continue to support the discussion and negotiation of potential international trade agreements to help Canadian businesses increase their exports. The Department will continue to implement the intellectual property and investment review provisions of the Canada and European Union Comprehensive Economic and Trade Agreement (CETA), as well as those provisions relating to the automotive and apparel and textile sectors.

For more information on Innovation, Science and Economic Development Canada's plans, priorities and planned results, see the "Planned results" section of this report.

Raison d'être, mandate and role: who we are and what we do

Raison d'être

Innovation, Science and Economic Development Canada (ISED) helps Canadian businesses grow, innovate and export so that they can create good quality jobs and wealth for Canadians. The Department works with provinces, territories, municipalities, the post-secondary education system, employers and labour to improve the quality and impact of its programs that support innovation, scientific research and entrepreneurship, in order to build a prosperous and innovative Canada. The Minister of Innovation, Science and Economic Development is responsible for this organization.

Mandate and role

Through the Department of Industry Act, the Department was established to foster a growing, competitive and knowledge-based Canadian economy. As the Government of Canada's centre of microeconomic policy expertise, ISED has many distinct responsibilities. These include matters related to industry and technology, trade and commerce, science, consumer affairs, corporations and corporate securities, competition, weights and measures, insolvency, intellectual property, investment, small business and tourism.

ISED's efforts focus on making Canadian industry more productive and competitive in the global economy, improving the economic and social well-being of all Canadians. The Department works with Canadians to improve conditions for investment, support science, help grow small- and medium-sized enterprises (SMEs), build capacity for clean and sustainable technologies and processes, increase Canada's share of global trade and build an efficient and competitive marketplace.

The Department, through engagement with Canadians, will develop and implement Canada's Innovation Agenda. The goal of the Innovation Agenda is to position Canada as a global centre for innovation where growth is clean and inclusive, the middle class prospers through more opportunities for all Canadians, and our companies become global leaders. Canada's Innovation Agenda is built on a people-centred approach that will seek to deepen collaboration and partnerships among businesses, research institutions, communities, municipalities, governments and all Canadians and to elevate the growth potential of Canadian business and improve the quality of life for all citizens.

For more general information about the Department, see the "Supplementary information" section of this report. For more information on the Department's organizational mandate letter commitments, see the Ministers' mandate letters on the Prime Minister of Canada's website.[i]

Operating context: conditions affecting our work

Canada is in a global innovation race. We are competing with countries around the world for the most talented people, the newest technologies and the fastest growing companies. Canada's success lies in our ability to innovate for improved economic, social and environmental outcomes. As a nation, innovating is fundamental to promoting clean and inclusive growth, generating high-quality jobs and raising Canadians' living standards. To this end, ISED will deliver Canada's Innovation Agenda, a whole-of-government approach designed to pursue the goal of making Canada a global centre of innovation. Developed in consultation with Canadians, Canada's Innovation Agenda will focus on three priority areas—people, technologies and companies—to help spur innovation and growth, and ensure Canadians are prepared for the economy of the future. This is an ambitious action item for ISED, which has the potential to significantly influence the Department's operations.

Four major challenges define Canada's future as our country becomes more open and interconnected within the global community. The flip sides of these challenges are opportunities that will make innovation necessary to create and secure good-quality jobs for Canadians.

Slow growth: The global economy is growing slowly. In the past, Canada relied on increased trade and high commodity prices to boost its economy. We also relied on more people to join the workforce. Over the past decade, Canada and other advanced economies have lowered interest rates and tax rates in a prolonged effort to stimulate growth. But those policies have not been sufficient to ensure the strength of the middle class. Meanwhile, Canada will continue to have fewer working-age people as our population ages, resulting in lower growth potential.

Technology: The world has entered a new industrial age. Technology is digitizing and automating every aspect of our lives—and it's happening much faster than anyone ever imagined. Technology is challenging every industry and every worker. New jobs and companies that never existed before are being created as others are being phased out. As the Internet and other technologies make communications instant, constant and affordable to people in every corner of the globe, they are reducing the competitive advantages of Canadians and citizens of other advanced economies. At the same time, they are empowering people in emerging economies. To respond to the pace of technological change, Canadians need to stay as open and flexible as possible. We will need to adopt new technologies and learn the skills necessary to prepare for the jobs of the future.

Globalization: The competitive pressures of the global innovation economy are more intense than ever. Developed and developing economies alike are putting in place aggressive strategies to position their economies for competitive advantage in the development of the next great technologies, products and services.

Climate change: This defining issue of our generation is reshaping how countries around the world meet their energy needs and how they think about growth. Climate change will influence how Canada and other countries manage natural resources in a world of both rising energy consumption and rising climatic risk. Those focused on clean growth are already driving the next great wave of innovation. Many countries are transitioning to a low-carbon economy based on "clean technologies" that promote energy efficiency, reduce pollution and produce cleaner air and water. This shift to clean growth has the potential to create jobs as well as new markets.

Key risks: things that could affect our ability to achieve our plans and results

One of ISED's main challenges is promoting innovation and growth in a period of ongoing economic uncertainty, characterized by slow global growth and persistently low prices for commodities and natural resources. There is a risk that maintaining the status quo will result in insufficient investments in people, technology and companies to fuel innovation, thereby eroding Canada's ability to translate advancements into economic growth for all Canadians. To address this challenge, the Department is leading the development and implementation of Canada's Innovation Agenda. To ensure that the Agenda meets the needs and expectations of businesses and individuals, ISED held consultations across the country and online in 2016 to gather feedback and ideas from Canadians.[ii] This openness mitigates risk by ensuring that the barriers to innovation and stakeholders' expectations are well understood with respect to the implementation of Canada's Innovation Agenda.

Canada benefits from having one of the most highly educated populations in the world. However, there are signals that Canada is not making the most of its talent pool and will lack the skills and experience that the global and digital economy demands. In order to meet the challenge of building a creative and entrepreneurial nation of innovators, ISED, through Canada's Innovation Agenda, will focus on delivering programs and services that encourage Canadians to continually train and up-skill, and participate and thrive in the evolving workforce.

If Canada is unable to harness emerging technologies, the competitiveness of its established industries will decline and the country will not be a participant in the new, technology-driven industries. To drive growth, create jobs and improve the standard of living for all Canadians, it is critical that ongoing support be made available to reinforce business-led R&D investments, strategic partnerships and collaboration.

The future of the Canadian economy will be significantly impacted by the capacity of Canadian firms to succeed in global value chains. ISED will need to identify ways to encourage Canadian companies to start up, scale up and compete globally, building Canada as a leading destination for international investment and creating better quality jobs for all Canadians over the longer term.

ISED's 2017–18 Corporate Plan includes the Department's Corporate Risk Profile, part of a tailored, integrated approach to addressing risks that may impede the Department's ability to deliver on its mandate. This approach allows the Department to manage risk proactively. It guides employees in implementing a comprehensive integrated risk management regime to ensure key risks pertaining to the Department's policy, regulatory, program, investment and management activities are identified, assessed, mitigated and communicated.

The risk identified below is taken from ISED's Corporate Plan, which includes all the risks identified by the Department that could impact its ability to achieve its mandate and priorities and fall outside the Department's risk tolerance. To ensure the effectiveness of its risk responses, ISED updates its Corporate Plan three times each year and senior management, as well as the Departmental Audit Committee, review the performance of corporate risk mitigation.

Key risks

Risks	Risk response strategy	Link to the Department's programs	Link to mandate letter commitments or to government-wide and departmental priorities
Canada's economy may not generate the innovation necessary to drive sustainable growth.	To mitigate this risk, Canada's Innovation Agenda will focus on three mutually reinforcing areas (people, technology and companies) to reflect what ISED heard from Canadians during the engagement process. Specifically, Canada's Innovation Agenda will include a range of initiatives to develop and attract talent, support emerging technologies, and grow companies to become global players.	All	Develop an Innovation Agenda

Planned results: what we want to achieve this year and beyond

Programs

Program title

Marketplace Frameworks and Regulations

Description

This program regulates and provides oversight over a number of aspects of the Canadian marketplace, including trade measurement, insolvency, corporate governance including federal incorporation, intellectual property, market access and consumer affairs. The program develops and administers framework statutes, regulations, policies and procedures; develops, sets and assures compliance with related regulatory reforms and standards; and consults with a variety of stakeholders and portfolio organizations. Overall, the program benefits Canadian businesses and consumers by ensuring the integrity of the marketplace and providing a competitive environment that contributes to Canada's innovation performance.

Planning highlights

Through the Canadian Intellectual Property Office (CIPO), ISED works to implement Canada's intellectual property (IP) polices and administer its system of IP rights, including patents, trademarks, copyrights, industrial designs and integrated circuit topographies. In 2017–18, CIPO will continue to support the development of regulations under the Patent Rules, the Industrial Design Regulations and the Trade-marks Regulations, in order for Canada to accede to various international IP treaties, including implementing the IP provisions within the Canada European Union Free Trade Agreement. In parallel, CIPO will work with external partners, including the Department of Justice, to finalize related policy and regulatory work.

To improve efficiency and help strengthen internal trade in Canada, ISED will begin a phased implementation of measures to streamline the business registration process across multiple provincial/territorial jurisdictions. By improving access to common business registry information across provincial/territorial boundaries, businesses will benefit from more efficient service delivery and be better positioned to expand.

ISED will also work to improve Canadian firms' access to both domestic and international markets in 2017–18 with a focus on achieving benefits from Canada's participation in various trade agreements. In particular, following the conclusion of negotiations for a new Canada Free Trade Agreement, the Department will engage provinces and territories to complete the joint legal review of the text and prepare for implementation. ISED will also collaborate with other

government departments to contribute to exploratory discussions with China, ongoing independent negotiations with Japan and India, and implementation of CETA, as well as plurilateral agreements with some World Trade Organization members on environmental goods and services, and other trade and investment initiatives that the Government identifies to enhance market access opportunities for Canadian businesses.

The Department has identified specific initiatives that address domestic issues that impact Canadian consumer confidence in the marketplace. These include working with the provinces and territories towards modernizing the Internet Sales Contract Harmonization Template, which was introduced in 2001. ISED will also work with partners to identify the drivers for consumer use of payday and other high-cost debt and examine the gaps in financial services that could support the development of options for consumers. Through the Your Money Matters – Government of Canada Facebook page, ISED will continue to improve consumer confidence through the dissemination of consumer and personal finance information, programs and services offered by over 30 federal government departments and agencies, and provincial and territorial government agencies responsible for consumer affairs.

Through Measurement Canada, ISED will continue to implement compliance and enforcement strategies to improve the accuracy of marketplace measurement. This includes monitoring compliance with recently introduced mandatory inspection frequencies[iii] in the retail gasoline, food, dairy, mining, forestry, fishing, field and grain crops and wholesale petroleum sectors. In instances of measurement inaccuracy or other types of non-compliance, ISED will continue to use a graduated enforcement approach, including the use of administrative monetary penalties.

In line with ISED's practice of continuing to deliver innovative, integrated client-centric digital services, the Office of the Superintendent of Bankruptcy will introduce an updated Insolvency Records Search service in 2017–18 to enhance access, simplify account registration and increase usability and navigation for clients.

Certain activities under Marketplace Frameworks and Regulation are funded by user fees, which are not shown in the financial information in this report. Only the amounts funded by appropriation acts[iv] are shown.

Variances in Planned Spending for future years are primarily due to CIPO's forecasted use of surpluses accumulated since its creation in 1994. CIPO is an organization within the Department that is funded entirely from the revenues it generates. In 2017–18, CIPO is expecting to use approximately $28 million from this surplus, compared to $18 million in 2018–19 and $8 million in 2019–20.

Planned results

Expected results	Performance indicators	Target	Date to achieve target	2013–14 Actual results	2014–15 Actual results	2015–16 Actual results
Service standards are met	Average percentage of service standards met	91.5%	March 31, 2018	96%	96%	95%

Budgetary financial resources (dollars)

2017–18 Main Estimates	2017–18 Planned spending	2018–19 Planned spending	2019–20 Planned spending
73,477,129	73,477,129	63,161,186	52,830,225

Human resources (full-time equivalents)

2017–18 Planned full-time equivalents	2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents
1,801	1,807	1,807

Program title

Marketplace Competition and Investments

Description

This program administers federal laws relating to the investigation of anti-competitive behaviour and the general regulation of trade and commerce in respect of business practices, including the review of mergers and significant foreign investments. It protects, promotes and advocates for efficient markets in a manner that encourages ongoing economic growth and innovation, providing consumers and businesses with competitive prices and increased product choices.

Planning highlights

Working independently within ISED, the Competition Bureau administers and enforces the Competition Act, Consumer Packaging and Labelling Act (except as it relates to food), Textile Labelling Act and Precious Metals Marking Act to protect and promote competitive, open markets. Through a combination of enforcement, outreach and advocacy tools, the Bureau

actively fosters business and regulatory environments in which competition and innovation can thrive for the benefit of Canadian businesses and consumers.

In 2017–18, the Bureau will advance a number of priorities, including building confidence and support for innovation and competitiveness in the digital economy. This will be achieved by deterring anti-competitive conduct that impedes new entrants, products and services, and by stopping deceptive marketing practices.

The Bureau will continue to safeguard public spending on infrastructure by working to detect and prevent bid-rigging in infrastructure projects. This includes outreach to raise awareness throughout the procurement community as well as establishing a dedicated hotline where Canadians can report fraud and bid-rigging activities related to government contracts.

The Bureau will also continue to provide consumers with timely and accurate information to protect themselves against the harms of deceptive marketing, through activities such as publishing more consumer alerts and increasing their reach. The Bureau will continue to advocate for pro-competitive regulation by completing and publishing a market study of technology-led innovation and emerging services in the Canadian financial services sector.

The Bureau will continue to enhance and strengthen its network of partners to address anti-competitive activities and deceptive marketing practices, and promote best practices at the international level. The Bureau will support Canada's participation in trade agreements by leading the negotiations on the competition policy provisions of such agreements to ensure that the benefits of trade liberalization are not offset by anti-competitive business conduct. Ongoing discussions of note will include exploratory talks between Canada and China and the ratification of CETA and the Canada-Ukraine Free Trade Agreement.

Finally, ISED will also continue the timely processing of foreign investment notifications and applications for review filed by foreign investors under the Investment Canada Act.

Planned results

Expected results	Performance indicators	Target	Date to achieve target	2013–14 Actual results	2014–15 Actual results	2015–16 Actual results
Consumers benefit from a competitive marketplace	Dollar value estimate of annual consumer savings from Bureau actions that stop anti-competitive activity	$3.99 billion	March 31, 2018	$572.1 million	$950.2 million	$2.9 billion
	Anticipated total consumer savings for the duration of the remedy from Bureau actions that stop anti-competitive activity	$17.17 billion	March 31, 2018	N/A*	N/A*	N/A*
Timely and accurate reviews lead to marketplace certainty	Percentage of mergers and foreign investments reviewed within service standards	85% for complex matters and 90% for non-complex matters (for merger reviews)	March 31, 2018	N/A	Complex Reviews: 90.91% Non-Complex Reviews: 98.82%	Complex matters: 85% Non-complex matters: 96%

* New indicator for 2016–17.

Budgetary financial resources (dollars)

2017–18 Main Estimates	2017–18 Planned spending	2018–19 Planned spending	2019–20 Planned spending
41,903,401	41,903,401	41,903,401	41,903,401

Human resources (full-time equivalents)

2017–18 Planned full-time equivalents	2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents
351	351	351

Program title

Spectrum, Telecommunications and the Digital Economy

Description

This program enables Canadians to benefit from a globally competitive digital economy that drives innovation, productivity and future prosperity. This includes developing and administering domestic regulations, procedures and standards that govern Canada's radiocommunication and telecommunications industries. The program sets legislative and policy frameworks to encourage competition, innovation, private sector investment in digital infrastructure, confidence in the online marketplace, and greater adoption of information and communications technologies by business. The program maximizes the public benefits of spectrum by managing it efficiently and effectively, through spectrum and radio licensing including auctions, compliance and enforcement. The program protects Canadian interests in the radiocommunications and telecommunications industry globally and facilitates international online trade and commerce by negotiating international treaties and agreements. This program also performs research in advanced telecommunication and information technologies to promote innovation and assist in the development of policies, regulations and program delivery.

Planning highlights

As the digital economy continues to expand in both scope and significance, ISED will undertake several initiatives in 2017–18 to respond to policy and regulatory issues in the spectrum and telecommunication sectors, while also working to advance research and spur innovation in the information and communications technology (ICT) sector.

The Department will focus on harnessing technologies, supporting companies, and developing and attracting talent to drive economic growth and create better jobs and opportunities for all Canadians.

All Canadians should have access to high-quality, affordable telecom services and the skills to connect with opportunities and each other to better work, live and compete in a global, digital world. ISED is committed to encouraging affordable telecom services and digital skills to help bridge the digital divide and foster inclusivity, and to developing domestic, and attracting foreign, talent with the necessary digital skills to support an innovative economy.

The Department will also continue to promote competition and investment as companies are quickly adopting new technologies, offering aggressive pricing and innovative services to win and retain customers. Competition is not just about the number of players in a market; competition and innovation are fundamental to developing and maintaining a global reputation for high-value workers and sectors.

ISED will also work to ensure Canada continues to benefit from world-class infrastructure and the latest technologies. A new, $500-million program, Connect to Innovate, will give Canadians living in rural and remote areas better and more affordable broadband, by supporting new "backbone" infrastructure to connect institutions like schools and hospitals and by funding upgrades and "last-mile" infrastructure to certain households and businesses. As the demand for digital connectivity grows, so too will the demand for spectrum. The Department will continue to study technologies and market demand for digital products and services, and strategically manage and allocate spectrum as the natural resource for telecommunications and other digital services.

In 2017–18, the Department will continue to work with the US on repurposing the 600 MHz spectrum band from broadcasting to commercial mobile use. ISED expects to have channels for virtually all Canadian over-the-air TV broadcasters that are currently operating, while maximizing the amount of mobile spectrum available. ISED will also auction previously unassigned or returned commercial mobile spectrum licences in various bands and will consult on the renewal of Advanced Wireless Services (AWS–1) commercial mobile spectrum licences that will begin to expire in 2018.

ISED will help ensure that Canadians can take advantage of a digitally-enabled world while having confidence in their online security and privacy. This work includes implementation of a multi-year plan to improve the cyber resilience of the telecommunications and ICT sectors in Canada. The Department will help support the establishment of a public safety broadband network and contribute to international discussions related to Canada's access to global navigation satellite systems. ISED will also consult Canadians on draft regulations stemming from changes to the Personal Information Protection and Electronic Documents Act that require organizations to notify individuals when their personal information has been compromised and there is risk of harm.

ISED will continue to support the continued openness of the Internet and promote it as a platform for innovation and knowledge-sharing through its participation in negotiations at the Government Advisory Committee, the Internet Corporation for Assigned Names and Numbers, the Internet Governance Forum and the Canadian Internet Forum. ISED will advocate Canada's positions on international radio spectrum allocation, regulations and satellite orbits through its participation in the International Telecommunications Union.

ISED will also continue to develop, maintain, adopt and publish technical rules, standards and regulations in 2017–18 to enable the efficient operation of Canadian radiocommunication services, the harmonized use of spectrum and protection of radiocommunication networks from interference as well as Canadians' health and safety. Specifically, the Department will develop

radio standards specifications on vehicle-to-vehicle communication technology. The Department will implement a process to accredit domestic and foreign radio equipment testing labs based on Canadian Radio Specification Standards and will look to align its standards and specifications with the United States and international norms, where possible.

ISED will continue to advance its R&D capacity through the Communications Research Centre (CRC) to support greater innovation, provide technical advice regarding communications technologies and make progress on its three Grand Challenges: spectrum environment awareness, breaking the frequency barrier, and making better use of spectrum. Through the CRC's research programs, ISED will contribute to the long-term sustainable management of Canada's radio spectrum resource through technology demonstrations for next generation spectrum concepts. The CRC will also establish strategic collaborations with industry, academia and other government departments to complement CRC skills and knowledge and enable greater innovation in the areas of wireless technology, big data, applications and the digital economy.

The variance in Planned Spending between 2017–18 and 2018–19 reflects the sunsetting of funding CRC received through the Federal Infrastructure Program.

Planned results

Expected results	Performance indicators	Target	Date to achieve target	2013–14 Actual results	2014–15 Actual results	2015–16 Actual results
Canada has a growing digital economy	Investment in dollars by telecommunications providers	$9 billion*	March 31, 2018	N/A	$9.2 billion (2013)	$14.7 billion (2014)
	Percentage of population with broadband subscriptions	83%	March 31, 2018	N/A	79% (2013)	80% (2014)

* The investment target is based on realistic projections, while controlling for occasional increases that occur as the result of spectrum auctions.

Budgetary financial resources (dollars)

2017–18 Main Estimates	2017–18 Planned spending	2018–19 Planned spending	2019–20 Planned spending
98,327,554	98,327,554	92,940,422	92,972,422

Human resources (full-time equivalents)

2017–18 Planned full-time equivalents	2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents
715	711	702

Program title

Science, Technology and Innovation Capacity

Description

This program sets the strategic direction for policies and programs that support and stimulate research, development and innovation in Canada. In collaboration with portfolio partners, other government departments and external stakeholders from the private and public sectors, the program fosters an environment that is conducive to innovation and promotes scientific excellence.

Planning highlights

In 2017–18, ISED will work with other government departments to respond to the mandate letter commitment to implement Canada's Innovation Agenda—developed based on input received through broad consultations with Canadians in 2016–17—to create jobs, drive growth and improve the standard of living for all Canadians.

As part of the Department's support for world-class science and research, ISED will continue to work with the Canada Foundation for Innovation to implement the $1.33-billion investment (over six years) to support advanced research infrastructure at universities, colleges and research hospitals. Likewise, the Department will continue its work to deliver the Post-Secondary Institutions Strategic Investment Fund, which provides $2 billion over three years for strategic projects to improve research and innovation infrastructure.

In support of the mandate letter commitment to create a Chief Science Advisor (CSA), the Department will assist the CSA in creating and maintaining the Office of the Chief Science Advisor. The CSA's main function will be to advise the government on how to ensure that government science is fully available to the public, that scientists are able to speak freely about their work, and that scientific analyses are considered when the government makes decisions.

The Department will support the Minister in examining and responding to the findings of the independent Panel on Canada's Fundamental Science Review. The Panel, made up of distinguished research leaders and innovators, consulted widely in 2016 and solicited diverse input from relevant stakeholders, including universities, colleges and polytechnics, research

hospitals, research institutes, individual researchers, industry, civil society, and the general public. This work will help ensure that the suite of federal programs that assist fundamental research is coherent, effective and agile, and supports science and scientists in Canada.

To create greater transparency and accountability, increase citizen engagement, and drive innovation and economic opportunities, ISED will work with the granting councils and other government departments to promote Open Science within the academic research community as part of the Open Government Action Plan.

ISED's science and technology initiatives are part of the broader science and technology Portfolio. Further information can be found on the Innovation, Science and Economic Development Portfolio partners' websites.[v]

The variance in Planned Spending and full-time equivalents between 2017–18 and future years reflects the approved funding profile for the Post-Secondary Institutions Strategic Investment Fund.

Planned results

Expected results	Performance indicators	Target	Date to achieve target	2013–14 Actual results	2014–15 Actual results	2015–16 Actual results
Canada's scientific research excellence is maintained	Canada's Average Relative Citation index*	1.35**	March 31, 2018	N/A	1.39	1.37
Researchers are attracted to Canada, and retained	Total full-time equivalent researchers in Canada per thousand total employment	8.8	March 31, 2018	8.9	8.8	8.8

* Actual results for this indicator fluctuate on an ongoing basis. The results presented here match those from the relevant Departmental Performance Report.

** The target for Canada's Average Relative Citation index is set using a three-year moving average, as the expected result is to maintain Canada's scientific research excellence. Therefore the target is lower than some previous actual results.

Budgetary financial resources (dollars)

2017–18 Main Estimates	2017–18 Planned spending	2018–19 Planned spending	2019–20 Planned spending
1,531,761,184	1,531,761,184	826,994,964	532,602,914

Human resources (full-time equivalents)

2017–18 Planned full-time equivalents	2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents
98	95	88

Program title

Industrial Research and Development Financing

Description

This program helps Canadian businesses increase research and development (R&D) activities by investing in innovative projects and collaborations through repayable and non-repayable contributions. Projects supported under this program are expected to produce benefits to Canada, including generating strategic research and development investment, developing new technologies and enhancing Canadian innovation capacity and expertise.

Planning highlights

In 2017–18, ISED will continue investing in R&D activities to encourage the development of new technologies in targeted industries in order to enhance Canadian innovative products and processes.

To enhance economic growth and foster business innovation, ISED will continue to deliver the Strategic Aerospace and Defence Initiative (SADI) and the Technology Demonstration Program (TDP). These programs support R&D activities in the Canadian aerospace, defence, space and security sectors.

TDP will continue its support of large-scale demonstration projects in areas that have significant potential for broad-based and long-term economic benefits. ISED will implement any program enhancements to TDP's design and procedures identified through internal lessons learned and the advice and feedback of external stakeholders, including the TDP Industry Advisory Committee. ISED will continue targeted outreach to potential recipients throughout Canada.

ISED will administer the Automotive Innovation Fund (AIF)—which supports the development and implementation of innovative, fuel-efficient technologies and processes—as well as the Automotive Supplier Innovation Program (ASIP).

The Department will support the mandate letter commitment to work with the Regional Development Agencies to pursue strategic investments that build on regional advantages and support economic diversification where appropriate.

Supporting a strong and innovative automotive sector

The automotive industry is among Canada's leading employers and exporters, valued at $17 billion per year and directly employing more than 125,000 Canadians from automotive assembly to parts production.

To further attract investments in the sector, ISED will continue to support the development of innovative, fuel-efficient technologies and processes through the Automotive Innovation Fund and the Automotive Supplier Innovation Program.

The variance in Planned Spending between 2017–18 and future years reflects the approved funding profile for the Automotive Innovation Fund.

Planned results

Expected results	Performance indicators	Target*	Date to achieve target	2013–14 Actual results	2014–15 Actual results	2015–16 Actual results
Investment in leading-edge R&D in targeted Canadian industries	Dollar value to date of disbursement to firms for R&D activities	AIF (2008): $476.3 million ASIP (2015): $44.7 million SADI (2007): $1.40 billion TDP (2013): $67.4 million TPC (1996): $3.16 billion	March 31, 2018	$320.25 million (Target was not broken down by recipient)	$4.27 billion (Target was not broken down by recipient)	AIF: $342 million ASIP: $4.03 million SADI: $1 billion TDP: $15 million TPC: $3.16 billion
	Dollars to date of investment leveraged per dollar of ISED disbursements in R&D projects	AIF (2008): $7.25 ASIP (2015): $1.00 SADI (2007): $1.82 TDP (2013): $1.00 TPC (1996): $2.33	March 31, 2018	$3.12 (Target was not broken down by recipient)	AIF: $7.04 SADI: $1.87 TPC: $2.33	AIF: $7.08 ASIP: $1.00 SADI: $1.82 TDP: Nil TPC: $2.33

* Program start dates in parentheses.

Budgetary financial resources (dollars)

2017–18 Main Estimates	2017–18 Planned spending	2018–19 Planned spending	2019–20 Planned spending
359,430,758	359,430,758	465,079,093	361,878,649

Human resources (full-time equivalents)

2017–18 Planned full-time equivalents	2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents
50	51	51

Program title

Small Business Research, Financing and Services

Description

This program enhances the growth and competitiveness of small business and encourages entrepreneurial activity across Canada. It raises awareness across government of the challenges facing small businesses and provides knowledge and expertise on small-and medium-sized enterprises (SMEs) in a number of areas, including entrepreneurship, financing, innovation and growth firms. It also addresses obstacles to growth such as paperwork burden and delivers programs that help support SMEs.

Planning highlights

In 2017–18, ISED will continue to provide SMEs in Canada with services and tools to support growth and competitiveness and ensure the alignment of SME-focused programming, a mandate letter commitment.

In June 2016, ISED launched the Accelerated Growth Service (AGS), a new program to help Canadian companies grow their businesses. Through the AGS program, the Government is providing hands-on support for businesses with a high potential for growth. Under ISED's leadership, ten government departments, agencies and crown corporations[vi] are working in tandem to provide Canadian businesses with a tailored, personalized, team approach to services such as financing solutions, advisory services and export support. For the first time, businesses no longer have to navigate numerous web sites for government services but are assigned one point of contact who analyses their needs, brings partner organizations to the table and writes an individualized plan to support their growth. Some 150 companies have joined AGS and ISED plans to add a further 300 companies in 2017–18.

ISED delivers a diverse inventory of services to business clients in every region across the country. Offering high-quality, client-centric service is essential to the success of the organization and the clients it serves. In 2017–18, ISED will continue to institute a department-wide strategy to instil a culture of service excellence and deliver innovative, integrated digital services to business.

ISED will continue to administer and improve the features of its non-financial business service platforms in 2017–18, including BizPaL and the Canada Business Network (CBN). These services will benefit from a targeted marketing and engagement strategy that includes additional flexible digital features to increase access to relevant information required to maintain or grow a business.

In 2017–18, the Department's Service Lab will continue to help ISED and other public sector clients create prototype solutions using design-thinking tools and techniques to deliver better services for Canadian business.

ISED Service Lab

The ISED Service Lab is a custom space where employees and federal partners collaborate with the private sector, academia and the public.

Planned results

Expected results	Performance indicators	Target	Date to achieve target	2013–14 Actual results	2014–15 Actual results	2015–16 Actual results
Canadian small-and medium sized-enterprises grow and become more internationally competitive	The percentage of businesses expecting to grow their total revenues over the next three years	77%	November 30, 2019	N/A	N/A	77%*

* For the calendar year 2014 (the survey is completed every three years).

Budgetary financial resources (dollars)

2017–18 Main Estimates	2017–18 Planned spending	2018–19 Planned spending	2019–20 Planned spending
84,501,977	84,501,977	85,927,003	85,174,073

Human resources (full-time equivalents)

2017–18 Planned full-time equivalents	2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents
119	119	119

Program title

Industrial Competitiveness and Capacity

Description

This program helps Canadian industries increase their competitiveness in global markets and improve their capacity for developing and marketing innovative products and services. The program develops expertise on Canadian firms and sectors through research and analysis and engagement with associations, governments and leading firms. It applies this expertise to develop and contribute to policy, legislation and regulations aimed at strengthening the contribution of industry to Canada's innovation performance and economic well-being. This program collaborates with the private sector on industry development; attracts investment and promotes Canadian expertise; and advances initiatives for increasing productivity and supporting growth.

Planning highlights

In 2017–18, ISED will provide analysis and advice to inform policy decisions in support of Canadian competitiveness in specific industrial sectors. Through the application of the Industrial and Technological Benefits Policy to eligible defence procurements, ISED will maximize economic benefit to Canada from military spending. The Department will help support a sustainable Canadian marine industry over the long term through the efficient administration of the National Shipbuilding Strategy Value Proposition.

Strengthening Innovation Networks and Clusters

As part of Canada's Innovation Agenda, ISED will consider how best to support clusters by helping businesses, research institutions, governments and other stakeholders work together more strategically and to create and shape the markets that have the potential to unlock significant opportunity for all.

ISED will continue to support the development of forward-looking strategies for the aerospace, space, marine and defence industries that recognize how technology and other global trends are shaping these industries, including the publication of industry-specific reports for aerospace and stakeholder collaborations. ISED will work collaboratively with the revitalized Space Advisory Board on a long-term vision for Canada's space program. The Department will also provide research and analysis to better enable automotive-related programming to foster growth and innovation across Canada's automotive eco-system. As a centre of expertise on manufacturing sectors and their value chains, ISED will engage with stakeholders, support investment attraction efforts and identify opportunities to develop and adopt emerging technologies crucial to competitiveness. The Department will also

work with federal, provincial, and territorial counterparts in support of the mandate letter commitment to promote tourism in Canada.

The strategic use of data can enable more effective government programs and services, drive business innovation and improve competitiveness. To this end, the Department will undertake analysis and collaborations to identify the opportunities offered, and challenges posed, by big data analytics to inform how it is adopted by the Government of Canada. ISED will also support the development of the 2017 Canadian Open Data Summit and work with other government organizations to advance the Government of Canada's Open Government policy.

Planned results

Expected results	Performance indicators	Target	Date to achieve target	2013–14 Actual results	2014–15 Actual results	2015–16 Actual results
Canadian industries have the capacity to prepare for and respond to risks and opportunities in domestic and global markets	Canada's ranking among G7 countries for "value chain breadth"	6th	March 31, 2018	7th	7th	7th
	Canada's ranking among G7 countries for "firm-level technology absorption"	6th	March 31, 2018	6th	6th	6th

Budgetary financial resources (dollars)

2017–18 Main Estimates	2017–18 Planned spending	2018–19 Planned spending	2019–20 Planned spending
35,618,706	35,618,706	33,118,707	33,150,706

Human resources (full-time equivalents)

2017–18 Planned full-time equivalents	2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents
210	212	212

Program title

Community Economic Development

Description

This program advances the economic development of Northern Ontario communities in the same manner that Regional Development Agencies support similar activities in other regions of Canada. Its main goal is to strengthen the Northern Ontario economy by providing financial support through contribution agreements for economic and community development projects led by the private, not-for-profit and public sectors, including support for official language minority communities. This program also contributes to improving the availability of broadband Internet access across Canada and provides computers for schools and not-for-profit organizations.

Improving access for rural communities to the digital economy

Connect to Innovate is a new, $500-million program to provide better and more reliable broadband connections to underserved communities.

In 2017–18, ISED will assess all applications received through the competitive national call, which ended March 13, 2017.

Planning highlights

In 2017–18, ISED will continue to deliver the Connecting Canadians program to provide improved broadband coverage to more than 280,000 households by the end of 2018–19. While this program is well underway, ISED will also implement the new Connect to Innovate program, which will help Canadians in rural and remote communities take advantage of advances in areas such as telehealth and e-learning. Building this infrastructure is the modern equivalent of building roads or railway spurs into rural and remote areas, connecting them to the global economy. This backbone infrastructure is often fibre optic-based, but can be comprised of a range of technologies including microwave and satellite service.

To promote greater connectivity across Canada, ISED will support the provision of IT hardware to underserved organizations, social groups and communities, as well as improved community broadband internet access. The Computers for Schools program will continue to provide

refurbished technology to schools and not-for-profit organizations, Indigenous communities, low-income families, seniors and new Canadians.

The Department will promote economic and community development projects and job creation in Northern Ontario. ISED programming encourages Northern Ontario communities to pursue projects that capitalize on unique regional advantages and contribute to improved productivity, increased investment attraction and greater economic diversity and competitiveness.

ISED will also work with municipalities in Northern Ontario to address community infrastructure needs through projects that align with the objectives of the Canada 150 Community Infrastructure Program.

Following the Government's mandate letter commitment to promote economic development opportunities for Indigenous communities and businesses in Northern Ontario, ISED will also support capacity building and commercial infrastructure to promote the growth of Indigenous businesses.

The variances in Planned Spending between 2017–18 and future years are primarily due to new funding received for the Connect to Innovate program, coupled with the sunsetting of the Connecting Canadians program after 2018–19.

Planned results

Expected results	Performance indicators	Target	Date to achieve target	2013–14 Actual results	2014–15 Actual results	2015–16 Actual results
Targeted businesses and organizations in Northern Ontario create economic growth	Number of Northern Ontario businesses created, expanded or maintained with FedNor assistance	1,700*	March 31, 2018	1,983	2,100	2,313

* ISED supports long-term projects in Northern Ontario, targets must take into consideration the possibility of external factors, such as an economic downturn, and therefore are not necessarily modified based on recent results.

Budgetary financial resources (dollars)

2017–18 Main Estimates	2017–18 Planned spending	2018–19 Planned spending	2019–20 Planned spending
213,105,186	213,105,186	316,782,514	158,117,638

Human resources (full-time equivalents)

2017–18 Planned full-time equivalents	2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents
114	112	112

Information on ISED's lower-level programs is available on ISED's website[vii] and in the TBS InfoBase.[viii]

Internal Services

Description

Internal Services are those groups of related activities and resources that the federal government considers to be services in support of programs and/or required to meet corporate obligations of an organization. Internal Services refers to the activities and resources of the 10 distinct service categories that support program delivery in the organization, regardless of the Internal Services delivery model in a department. The 10 service categories are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; and Acquisition Services.

Planning highlights

In 2017–18, ISED's internal services delivery and the management initiatives noted below will continue to be grounded in sound financial management practices, and designed to improve the efficient and effective delivery of programs and operations.

Innovation 2020

ISED's Innovation 2020 agenda supports the Department's activities to renew the public service and is inspired by the Blueprint 2020 vision.[ix] These activities are grouped under three themes: creating an agile workforce, practising sound stewardship and operating as one, by instilling a culture of openness and transparency.

Agile Workforce

In 2017–18, ISED will continue its efforts to modernize recruitment and simplify staffing processes to ensure the Department has the right people in the right places to deliver a high level of service to Canadians. This includes a focus on hiring diverse talent from across the country, simplifying the application process and taking advantage of innovative staffing processes such as reaching potential applicants through social media or the Building a Better Canada initiative.

Sound Stewardship

In addition to the ongoing application of rigorous operational and financial controls, ISED will continue to emphasize the human resources element of sound stewardship in 2017–18. The Department will continue to implement its Respectful, Healthy and Inclusive Workplace initiative to support a healthy work environment for all employees. Likewise, ISED is developing a mental health strategy to support psychological health and safety in the workplace.

Operating as One

To improve efficiency and adopt an operating as one work style, the Department will continue coordinating and collaborating with the ISED portfolio organizations. In 2017–18, ISED will

continue its implementation of the GCDOCS file management system, which will allow employees better and more efficient access to the information they need to do their jobs.

Budgetary financial resources (dollars)

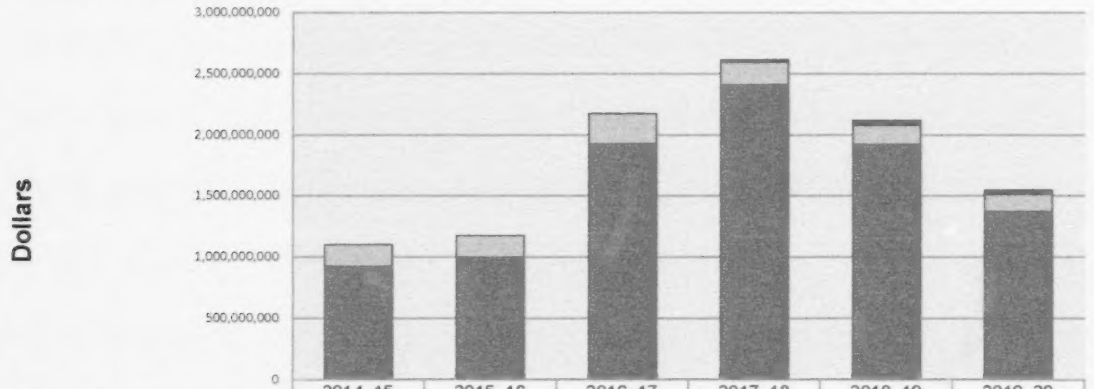
2017–18 Main Estimates	2017–18 Planned spending	2018–19 Planned spending	2019–20 Planned spending
152,780,251	152,780,251	152,337,683	151,517,666

Human resources (full-time equivalents)

2017–18 Planned full-time equivalents	2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents
1,417	1,417	1,417

Spending and human resources

Departmental spending trend graph



	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20
Sunset Programs – Anticipated	0	0	0	17,000,000	35,000,000	35,000,000
Statutory	176,180,055	171,999,686	244,723,494	184,854,942	158,800,136	139,280,985
Voted	921,234,441	997,834,811	1,923,708,580	2,406,051,204	1,919,444,837	1,370,866,709
Total	1,097,414,496	1,169,834,497	2,168,432,074	2,590,906,146	2,078,244,973	1,510,147,694

Planned spending

Budgetary planning summary for Programs and Internal Services (dollars)

Programs and Internal Services	2014–15 Expenditures	2015–16 Expenditures	2016–17 Forecast spending	2017–18 Main Estimates	2017–18 Planned spending	2018–19 Planned spending	2019–20 Planned spending
Marketplace Frameworks and Regulations (1)	50,785,898	42,207,492	69,799,753	73,477,129	73,477,129	63,161,186	52,830,225
Marketplace Competition and Investments (2)	48,628,660	46,107,684	46,678,627	41,903,401	41,903,401	41,903,401	41,903,401
Spectrum, Telecommunications and the Digital Economy (3)	123,580,591	117,906,335	118,937,982	98,327,554	98,327,554	92,940,422	92,972,422
Science, Technology and Innovation Capacity (4)	313,406,524	311,415,582	1,198,445,252	1,531,761,184	1,531,761,184	826,994,964	532,602,914
Industrial Research and Development Financing (5)	220,998,346	244,450,613	282,252,812	359,430,758	359,430,758	465,079,093	361,878,649
Small Business Research, Financing and Services (6)	91,428,836	85,392,842	99,524,224	84,501,977	84,501,977	85,927,003	85,174,073
Industrial Competitiveness and Capacity (7)	31,303,195	33,947,200	40,104,024	35,618,706	35,618,706	33,118,707	33,150,706
Community Economic Development (8)	83,737,928	156,421,933	167,123,742	213,105,186	213,105,186	316,782,514	158,117,638
Subtotal	**963,869,978**	**1,037,849,681**	**2,022,866,415**	**2,438,125,895**	**2,438,125,895**	**1,925,907,290**	**1,358,630,028**
Internal Services (9)	133,544,518	131,984,816	145,565,659	152,780,251	152,780,251	152,337,683	151,517,666
Total	**1,097,414,496**	**1,169,834,497**	**2,168,432,074**	**2,590,906,146**	**2,590,906,146**	**2,078,244,973**	**1,510,147,694**

Budgetary Planning Summary Explanation

1. The variances between Expenditures and Planned Spending for the Marketplace Frameworks and Regulation program are mainly related to CIPO, which is funded from the revenues it generates and can accumulate surpluses for future use. The increase in Planned Spending for 2017–18 reflects planned investments in information management and information technology projects to modernize CIPO's operations. The decrease in Planned Spending from 2018–19 reflects a decrease in information technology spending as projects near completion.

2. The variance between 2016–17 Forecast Spending and 2017–18 Planned Spending is mainly due to a change in requirements for reporting of corporate services functions. Previously, if those functions were reported exclusively in the delivery of one program, they were reported as part of that program. New requirements mean all corporate service functions are reported under Internal Services.

3. The decrease in Expenditures, Forecast Spending and 2017–18 Planned Spending is mainly due to a change in requirements for reporting of corporate services functions (see note 2). The variances from 2016–17 to 2018–19 also reflect the sunsetting of the funding CRC received through the Federal Infrastructure program.

4. The variance between 2015–16 Expenditures and 2016–17 Forecast Spending is due to new funding received for the Post-Secondary Institutions Strategic Investment Fund, as well as additional funding for Sustainable Development Technology Canada, Mitacs Inc., the Stem Cell Network, Council of Canadian Academies, CANARIE and Let's Talk Science. The variances in Planned Spending between 2017–18 and future years reflect the approved funding profile for the Post-Secondary Institutions Strategic Investment Fund.

5. The variance in Expenditures from 2014–15 to 2015–16 reflects increased spending by the Automotive Investment Fund (AIF), Automotive Supplier Innovation Program and the Technology Demonstration Program, coupled with a decrease in spending by the Strategic Aerospace and Defence Initiative (SADI). The variances in Planned Spending between 2017–18 and future years reflect the approved funding profile for AIF.

6. The variances in Expenditures, Forecast Spending and Planned Spending under the Small Business Research, Financing and Services program reflect fluctuations in claims under the Canada Small Business Financing Act.

7. The variances in Expenditures, Forecast Spending and Planned Spending under the Industrial Competitiveness and Capacity program reflect the funding received for the Defence Procurement Strategy.

8. The increase in Expenditures from 2014–15 to 2015–16 is mainly due to funding received for the Connecting Canadians program. The variances in Planned Spending between 2017–18 and future years is primarily due to new funding received for the Connect to Innovate program, coupled with the sunsetting of the Connecting Canadians program after 2018–19.

9. The variance between 2015–16 Expenditures and 2016–17 Forecast Spending is due to the consolidation of Internal Services functions and activities. Resources that were previously reported under other programs are now reported under Internal Services.

Planned human resources

Human resources planning summary for Programs and Internal Services (full-time equivalents)

Programs and Internal Services	2014–15 Full-time equivalents	2015–16 Full-time equivalents	2016–17 Forecast full-time equivalents	2017–18 Planned full-time equivalents	2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents
Marketplace Frameworks and Regulations	1,699	1,729	1,748	1,801	1,807	1,807
Marketplace Competition and Investments	384	379	353	351	351	351
Spectrum, Telecommunications and the Digital Economy	800	806	717	715	711	702
Science, Technology and Innovation Capacity (1)	70	68	101	98	95	88
Industrial Research and Development Financing (2)	72	73	47	50	51	51
Small Business Research, Financing and Services (3)	103	100	119	119	119	119
Industrial Competitiveness and Capacity (4)	222	235	210	210	212	212
Community Economic Development	117	119	107	114	112	112
Subtotal	**3,467**	**3,509**	**3,402**	**3,458**	**3,458**	**3,442**
Internal Services (5)	1,201	1,202	1,410	1,417	1,417	1,417
Total	**4,668**	**4,711**	**4,812**	**4,875**	**4,875**	**4,859**

Planned Human Resources Explanation

1. The variances in full-time equivalents reflect the approved funding profile for the Post-Secondary Institutions Strategic Investment Fund, which began in 2016–17 and sunsets in 2018–19.

2. The variance in full-time equivalents between 2015–16 and 2016–17 reflects a change in requirements for reporting of corporate services functions. Previously, if those functions were reported exclusively in the delivery of one program, they were reported as part of that program. New requirements mean all corporate service functions are reported under Internal Services.

3. The variance in full-time equivalents between 2015–16 and 2016–17 is due to the implementation of the Accelerated Growth Service and the Improving Support for Entrepreneurs initiatives.

4. The variance in full-time equivalents between 2015–16 and 2016–17 reflects a change in requirements for reporting of corporate services functions (see note 2).

5. The variance in full-time equivalents between 2015–16 and 2016–17 reflects a change in requirements for reporting of corporate services functions (see note 2).

Estimates by vote

For information on ISED's organizational appropriations, consult the 2017–18 Main Estimates.[x]

Future-Oriented Condensed Statement of Operations

The Future-Oriented Condensed Statement of Operations provides a general overview of ISED's operations. The forecast of financial information on expenses and revenues is prepared on an accrual accounting basis to strengthen accountability and to improve transparency and financial management.

Because the Future-Oriented Condensed Statement of Operations is prepared on an accrual accounting basis, and the forecast and planned spending amounts presented in other sections of the Departmental Plan are prepared on an expenditure basis, amounts may differ.

A more detailed Future-Oriented Statement of Operations and associated notes, including a reconciliation of the net cost of operations to the requested authorities, are available on ISED's website.[xi]

Future-Oriented Condensed Statement of Operations for the year ended March 31, 2018 (dollars)

Financial information	2016–17 Forecast results	2017–18 Planned results	Difference (2017–18 Planned results minus 2016–17 Forecast results)
Total expenses	2,282,830,599	2,662,387,979	379,557,380
Total revenues	252,728,569	257,686,915	4,958,346
Net cost of operations before government funding and transfers	2,030,102,030	2,404,701,064	374,599,034

Total expenses year-over-year are expected to increase by approximately 17% ($380 million). The change is attributable to expected increases in transfer payments, particularly for the new Post-secondary Institutions Strategic Investment Fund ($255 million), the new Connect to Innovate program ($66 million), the Canada Foundation for Innovation ($52 million), and access to the Sustainable Development Technology Fund ($44 million) which is new to the Department, offset by a series of smaller reductions in other transfer payment programs. Operating expenses, including salaries, are expected to remain relatively stable in the next fiscal year.

There are no predictable significant events affecting revenues, and so they are projected to remain consistent year over year.

Supplementary information

Corporate information

Organizational profile

Minister of Innovation, Science and Economic Development:
The Honourable Navdeep Bains, P.C., M.P.

Minister of Science:
The Honourable Kirsty Duncan, P.C., M.P.

Minister of Small Business and Tourism and Leader of the Government in the House of Commons:
The Honourable Bardish Chagger, P.C., M.P.

Institutional head:
John Knubley

Ministerial portfolio:
Innovation, Science and Economic Development

Enabling instrument:
Innovation, Science and Economic Development Canada's founding legislation is the Department of Industry Act, S.C. 1995, c.1.[xii]

Year of incorporation:
1892

Reporting framework

ISED's Strategic Outcomes and Program Alignment Architecture (PAA) of record for 2017–18 are shown below:

Strategic Outcome: The Canadian marketplace is efficient and competitive

Program: Marketplace Frameworks and Regulation
- Sub-program: Trade Measurement
- Sub-program: Insolvency
- Sub-program: Federal Incorporation
- Sub-program: Intellectual Property
- Sub-program: Market Access
- Sub-program: Consumer Affairs

Program: Marketplace Competition and Investments
- Sub-program: Competition Law Enforcement
- Sub-program: Investment Review

Program: Spectrum, Telecommunications and the Digital Economy
- Sub-program: Spectrum and Telecommunications Policy and Legislation
- Sub-program: Spectrum Management and Regulation
- Sub-program: Communications Technologies Research and Innovation

Strategic Outcome: Advancements in science and technology, knowledge, and innovation strengthen the Canadian economy

Program: Science, Technology and Innovation Capacity
- Sub-program: Science and Technology Policy and Analysis
- Sub-program: Science and Technology Partnerships

Program: Industrial Research and Development Financing
- Sub-program: Automotive Innovation
- Sub-program: Aerospace and Defence Innovation

Strategic Outcome: Canadian businesses and communities are competitive

Program: Small Business Research, Financing and Services
- Sub-program: Small Business Financing and Growth
- Sub-program: Service for Business

Program: Industrial Competitiveness and Capacity
- Sub-program: Industry-Specific Policy and Analysis
- Sub-program: Economic Outcomes from Procurement

Program: Community Economic Development
- Sub-program: Northern Ontario Economic Development
- Sub-program: Computer and Internet Access

Internal Services

Supporting information on lower-level programs

Supporting information on lower-level programs is available on ISED's website[xiii] and in the TBS InfoBase.[xiv]

Supplementary information tables

The following supplementary information tables are available on ISED's website.[xv]

- Details on transfer payment programs of $5 million or more
- Disclosure of transfer payment programs under $5 million
- Upcoming evaluations over the next five fiscal years
- Upcoming internal audits for the coming fiscal year
- Up-front multi-year funding
- User fees and regulatory charges

Federal tax expenditures

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures each year in the Report on Federal Tax Expenditures.[xvi] This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs. The tax measures presented in this report are the responsibility of the Minister of Finance.

Organizational contact information

Corporate Management Sector
Innovation, Science and Economic Development Canada
235 Queen Street
2nd Floor, East Tower
Ottawa ON K1A 0H5

Email: ic.info-info.ic@canada.ca
Fax: 613-954-2340

Appendix: definitions

appropriation (crédit)

Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures (dépenses budgétaires)

Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Core Responsibility (responsabilité essentielle)

An enduring function or role performed by a department. The intentions of the department with respect to a Core Responsibility are reflected in one or more related Departmental Results that the department seeks to contribute to or influence.

Departmental Plan (Plan ministériel)

Provides information on the plans and expected performance of appropriated departments over a three-year period. Departmental Plans are tabled in Parliament each spring.

Departmental Result (résultat ministériel)

A Departmental Result represents the change or changes that the department seeks to influence. A Departmental Result is often outside departments' immediate control, but it should be influenced by program-level outcomes.

Departmental Result Indicator (indicateur de résultat ministériel)

A factor or variable that provides a valid and reliable means to measure or describe progress on a Departmental Result.

Departmental Results Framework (cadre ministériel des résultats)

Consists of the department's Core Responsibilities, Departmental Results and Departmental Result Indicators.

Departmental Results Report (Rapport sur les résultats ministériels)

Provides information on the actual accomplishments against the plans, priorities and expected results set out in the corresponding Departmental Plan.

full-time equivalent (équivalent temps plein)

A measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

government-wide priorities (priorités pangouvernementales)

For the purpose of the 2017–18 Departmental Plan, government-wide priorities refers to those high-level themes outlining the government's agenda in the 2015 Speech from the Throne, namely: Growth for the Middle Class; Open and Transparent Government; A Clean Environment and a Strong Economy; Diversity is Canada's Strength; and Security and Opportunity.

horizontal initiatives (initiative horizontale)

A horizontal initiative is one in which two or more federal organizations, through an approved funding agreement, work toward achieving clearly defined shared outcomes, and which has been designated (e.g. by Cabinet, a central agency, etc.) as a horizontal initiative for managing and reporting purposes.

Management, Resources and Results Structure (Structure de la gestion, des ressources et des résultats)

A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures (dépenses non budgétaires)

Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance (rendement)

What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve, and how well lessons learned have been identified.

Performance indicator (indicateur de rendement)

A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

Performance reporting (production de rapports sur le rendement)

The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending (dépenses prévues)

For Departmental Plans and Departmental Results Reports, planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their Departmental Plans and Departmental Results Reports.

plans (plan)

The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

Priorities (priorité)

Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program (programme)

A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture (architecture d'alignement des programmes)

A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

results (résultat)

An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

statutory expenditures (dépenses législatives)

Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

Strategic Outcome (résultat stratégique)

A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program (programme temporisé)

A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target (cible)

A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

voted expenditures (dépenses votées)

Expenditures that Parliament approves annually through an Appropriation Act. The Vote wording becomes the governing conditions under which these expenditures may be made.

Endnotes

i. The Ministers' mandate letters, http://pm.gc.ca/eng/mandate-letters

ii. Innovation Agenda consultation map, https://www.ic.gc.ca/app/scr/cmb-dgcm/poi-pi/mp.html?tpcId=181&lang=eng

iii. Measurement Canada mandatory inspection frequencies by sector and device type, https://www.ic.gc.ca/eic/site/mc-mc.nsf/eng/lm04707.html

iv. Government of Canada Appropriations Acts, http://www.tbs-sct.gc.ca/hgw-cgf/finances/pgs-pdg/aa-lc/index-eng.asp

v. Innovation, Science and Economic Development portfolio partners, http://www.ic.gc.ca/eic/site/icgc.nsf/eng/h_00022.html

vi. AGS organizations include: ISED, Business Development Bank of Canada (BDC), Export Development Canada (EDC), National Research Council Canada (NRC-IRAP and NRC Concierge), Global Affairs Canada – Trade Commissioner Service (GAC-TCS), and all of Canada's Regional Development Agencies (RDAs).

vii. Supporting information on lower-level programs, http://www.ic.gc.ca/eic/site/017.nsf/eng/h_07600.html

viii. TBS InfoBase, https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start

ix. Public Service Renewal – ISED Progress Report 2016, http://www.ic.gc.ca/eic/site/icgc.nsf/eng/h_07591.html

x. 2017–18 Main Estimates, http://www.tbs-sct.gc.ca/hgw-cgf/finances/pgs-pdg/gepme-pdgbpd/index-eng.asp

xi. Future-Oriented Statement of Operations, http://www.ic.gc.ca/eic/site/017.nsf/eng/h_07601.html

xii. *Department of Industry Act*, http://laws-lois.justice.gc.ca/eng/acts/i-9.2/

xiii. Supporting information on lower-level programs, http://www.ic.gc.ca/eic/site/017.nsf/eng/h_07600.html

xiv. TBS InfoBase, https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start

xv. Supplementary information tables, http://www.ic.gc.ca/eic/site/017.nsf/eng/h_07600.html

xvi. Report on Federal Tax Expenditures, http://www.fin.gc.ca/purl/taxexp-eng.asp